

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-01 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 XMB-02

/102 W

-----150138Z 069920 /73

R 142348Z JUN 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 2839

AMCONSUL MONTERREY

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DEPARTMENT PASS EXIMBANK FOR CRAFTON

E.O. 11652: N/A

TAGS: ENRG, EALR, BENC, EFIN, MX

SUBJECT: PEMEX SEEKS TENDERS FOR PIPE

REF: MEXICO 8837

1. POTENTIAL SUPPLIERS IN THE U.S., ITALY, CANADA, ENGLAND AND JAPAN WERE ASKED BY PEMEX TO SUBMIT BIDS FOR 1354 KILO-METERS OF 48-INCH PIPE ON JUNE 8, 1977. BIDS ARE TO BE SUBMITTED BY JUNE 24. DELIVERIES ARE TO BEGIN IN AUGUST, 1977, AND END IN JUNE, 1978. ACCORDING TO TENNECO, ORIGINAL SPECIFICATIONS ON THE THICKNESS OF THE PIPE ARE NOT WHAT IT WOULD HAVE RECOMMENDED IF ITS DESIGN WERE USED, BUT PEMEX HAS NOW RECTIFIED THIS ERROR. THEY ALSO FEEL THE DELIVERY DATES ARE UNREALISTICALLY EARLY; THE PIPE WON'T BE NEEDED BEFORE NOVEMBER.

2. EMBASSY HAS ALSO BEEN INFORMED THAT PEMEX HAS RECEIVED INSTRUCTIONS TO NEGOTIATE ONLY A 5 TO 6 YEAR CONTRACT FOR LIMITED OFFICIAL USE

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SALE OF THE GAS. THIS WOULD HAVE TWO ADVANTAGES TO PEMEX IN THAT IT WOULD NOT LOCK SUBSEQUENT ADMINISTRATIONS INTO LONG-TERM CONTRACTS AND ALSO THAT THE RENEWAL DATES WOULD COINCIDE WITH TIME THAT PEMEX EXPECTS TO HAVE IMPORTANT NEW SUPPLIES OF GAS COMING ON STREAM FROM THE CONTINENTAL SHELF.

3. TENNECO DOES NOT THINK THE SHORTER DELIVERY CONTRACT WILL AFFECT THEIR ABILITY TO FINANCE CONSTRUCTION. THEY FEEL THAT A CONSTRUCTION AND GAS SUPPLY CONTRACT WILL BE SIGNED WITHIN TWO WEEKS.

4. PETOFF IS ATTEMPTING TO CONTACT TENNECO ENGINEERS WHO ARE HERE FOR FURTHER STUDY OF THE PROPOSED ROUTE. WILL REPORT DETAILS AS THEY BECOME KNOWN.
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5. BANKING CIRCLES HERE REPORT THAT SOME CONSIDERATION IS BEING GIVEN BY U.S. INVESTORS TO SETTING UP A SHELL CORPORATION IN THE U.S. WHOSE ONLY ASSET WOULD BE ITS CONTRACT WITH PEMEX FOR THE GAS AND WHICH WOULD PROVIDE FINANCING FOR THE PIPELINE. THIS IDEA IS SUPPOSEDLY ADVANCED TO PUT THE PROJECT OUTSIDE THE IMF CEILING ON GOM BORROWING. WHEN THIS IDEA WAS RAISED WITH TENNECO AND TEXAS EASTERN, THEY SAID THEY WERE NOT ENTHUSIASTIC ABOUT IT NOR DID THEY THINK THAT SUCH A FIRM WOULD BE ATTRACTIVE TO U.S. BANKS AND OTHER INSTITUTIONAL INVESTORS.

6. ALSO WE HAVE HEARD THAT PEMEX DIRECTOR GENERAL JORGE DIAZ SERRANO TOLD AT LEAST TWO RECENT VISITORS THAT HE FEELS THE COMPANY WILL HAVE NO DIFFICULTY IN BORROWING ALL THE FUNDS IT NEEDS BECAUSE OF ITS ABILITY TO GENERATE LARGE QUANTITIES OF FOREIGN EXCHANGE RAPIDLY. THOMPSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, NATURAL GAS, PROPOSALS (BID), GAS PIPELINES, CONTRACTS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
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Handling Restrictions: n/a
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ISecure: 1
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Litigation History:
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TAGS: ENRG, EALR, BENC, EFIN, MX, US, IT, CA, UK, JA, PEMEX
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